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Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “Fraud on the Elderly: A Growing Concern for a Growing Population”
Subcommittee on Commerce, Manufacturing, and Trade
May 16, 2013

I want to thank the Chairman for holding this hearing on fraud affecting older Americans.

Imagine getting an email from a dear friend that said she had gotten mugged while on vacation, that her cash and credit cards were taken at gunpoint, and she needs you to wire money so that she can pay her hotel bill. After you wire the money, you find out that the mugging never occurred. Unfortunately, this “emergency scam” happened to a senior in my district, and many other similar frauds are committed each day around the country.

One may think that fraud is easy to spot, but in the case I just mentioned, the email was sent from the friend’s actual email account – now hacked – and included her actual address and phone number. And with the prevalence of social media sites, one can easily imagine a fraudster knowing that a victim’s grandchild or friend is on vacation.

Last month, the Federal Trade Commission released the results of its most recent survey on fraud, reflecting data from 2011. This report estimated that over 25 million Americans were victims of surveyed frauds, including those that preyed on consumers’ desire to improve their health, find a job, or save money on everyday needs.

According to the FBI, older Americans possess certain characteristics that make them attractive targets for fraudulent activity. Many seniors have accumulated retirement savings, tend to be polite and trusting, and are unable or reluctant to report fraud or serve as criminal witnesses. They are also targeted disproportionately for certain scams, like those involving prize promotions, health-related products and services, and reverse mortgages. And, appallingly, older Americans are also exploited financially by those close to them, including by trusted people like family members, friends, attorneys, or financial advisors.

Fraud against the elderly is a very serious crime with the potential for severe harm, including lost retirement funds, ruined credit, and an emotional toll on victims and their families that is not easy to overcome. I commend President Obama for recognizing this through his Administration's significant efforts to educate consumers about fraud and through his establishment of the Financial Fraud Enforcement Task Force.

Federal, state, and local authorities must remain vigilant in the fight against fraud occurring on consumers of any age. And Congress must ensure that law enforcement has the tools it needs to win that fight. This hearing on fraudulent activities is a good start.

Thank you.